

AMENDMENTS TO THE CLAIMS:

1. – 8. (canceled)

9. (currently amended) A method for impounding escrow funds by an electronic funds processor (EFP) from payments made via electronic funds transfer (EFT) from credit/debit card transactions transacted between a merchant, the EFP and one or more credit/debit card issuers, the EFP and one or more credit/debit card issuers being interconnected by means of at least one computer network, wherein the credit/debit card transactions are electronically initiated by the merchant via a merchant point of sale (POS) terminal that communicates with the EFP, and are electronically processed by the EFP and the one or more credit/debit card issuers, wherein the credit/debit card transactions include authorization requests made by the merchant, authorized transactions granted by the one or more credit/debit card issuers, payment requests made by the merchant concerning one or more authorized transactions, and payments made by the one or more credit/debit card issuers, the method comprising the steps of:

receiving a payment request electronically transmitted by the merchant via the merchant POS terminal, said payment request concerning one or more authorized transactions;

determining an escrow amount based on the one or more authorized transactions; forwarding the payment request to at least one of the one or more credit/debit card issuers electronically via the at least one computer network;

receiving an EFP payment made by the at least one credit/debit card issuer via the at least one computer network for the one or more authorized transactions;

crediting a merchant escrow account by EFP with the escrow amount, said escrow amount being debited from the received EFP payment; and

crediting a merchant account by EFP with only a net payment for the one or more authorized transactions, said net payment being credited by an amount equaling the received EFP payment reduced by the escrow amount;

wherein the determining, forwarding and crediting steps are executed by the EFP upon receipt of the payment request for the transaction via the merchant POS terminal, without depending on subsequent action by the merchant relating to the merchant escrow account.

10. (canceled)

11. (previously presented) The method of claim 9, wherein the net payment is further reduced by one or more service fees specified by a the one or more credit/debit card issuers.

12. (previously presented) The method of claim 9, wherein the net payment is further reduced by one a service fee specified by the EFP.

13. (previously presented) The method of claim 9, wherein a service fee specified by an escrow account provider is debited from the escrow amount.

14. (previously presented) The method of claim 13, wherein the escrow account provider is selected from the group consisting of the EFP, a merchant bank and other credit/debit card service providers.

15. (previously presented) The method of claim 9, wherein the escrow amount represents a tax owed with respect to the payment requests.

16. (previously presented) The method of claim 15, wherein the tax owed is determined as a function of a tax rate for a tax jurisdiction identified to the payment requests.

17. (previously presented) The method of claim 16, wherein the tax rate is associated with a schedule selected from the group consisting of sales tax schedules, value-added tax schedules and garnishment schedules.

18. (previously presented) The method of claim 17, wherein the tax rate is increased by a predetermined amount over the tax rate of the jurisdiction to facilitate payment of back taxes.

19. (previously presented) The method of claim 9, wherein the escrow account is a merchant savings account.

20. (previously presented) The method of claim 9, wherein the determining step further comprises the steps of:

identifying one of the one or more authorized transactions is exempt from impounding escrow funds; and

determining the escrow amount based on the others of the one or more authorized transactions.

21. (previously presented) The method of claim 13, further comprising the step of providing the information about the escrow portion to at least one of the merchant and the escrow account provider.

22. (previously presented) The method of claim 21, wherein the information about an escrow portion is provided in combination with a sales draft.

23. (previously presented) The method of claim 9, further comprising the step of providing escrow account information to the merchant via a secure web site.

24. – 38. (canceled)

39. (previously presented) The method of claim 9, further comprising the step of: forwarding an issuer payment request to the at least one of the one or more credit/debit card issuers concerning one of the one or more authorized transactions; and crediting the merchant account with an EFP a payment made by he one credit/debit card issuer, said EFP payment corresponding to the one authorized transaction; wherein the net payment is further reduced by an amount corresponding to the one authorized transaction.

40., 41. (canceled)

42. (previously presented) The method of claim 9, the EFP further performing the steps of:

receiving a cash transaction report reported by the merchant; determining a second escrow amount based on the cash transaction report; debiting the second escrow amount from a source of merchant funds; and crediting the merchant escrow account with the second escrow amount.